Losses Suffered by Subsidiaries of GIC

231. SHRI ABANI ROY: Will the Minister of FINANCE be pleased to state:

(a) whether some subsidiaries of the GIC have incurred losses worth crores of rupees during the last three years;

(b) if so, the details of such subsidiaries and amount involved;

(c) whether Government have ascertained the factors reponsibile for such losses in GIC:

(d) if so, the details thereof; and

(e) the steps Government propose to take to bring down the losses?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAY KUMAR): (a) The four subsidiaries of the General Insurance Corporation of India have produced overall profits every year during the past three years.

(b) to (e) Do not arise.

Budget Deficit

† 232. SHRI SURYABHAN PATIL VAHADANE: Will the Minister of FINANCE be pleased to state:

(a) what is Government's reaction to the news-item which appeared in Punjab Kesari dated ist July, 2000 under the caption "235.21 arab rupaye ka desh mein rajkoshiya gahata";

(b) what are the reasons for the deficit; and

(c) what measrues are being taken by Government to meet the deficit?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAY KUMAR): (a) to (c) The fiscal deficit during April-May, 2000 was Rs. 23521 crore which is within the levels contemplated in Budget 2000-01 approved by Parliament.

The Government would endeavour to contain the fiscal deficit, which represents the total additional borrowing requirement for meeting the gap between total expenditure (net of repayments) and non-debt receipts by containing expenditure and maximising receipts. A close watch is kept on the trends of

†Original notice of the question was received in Hindi.

expenditure with a view to taking corrective action. Instructions for containing the non-productive expenditure have been issued from time to time.

Over Drafts of North-Eastern States

233. SHRI W. ANGOU SINGH: Will the Minister of FINANCE be pleased to state:

(a) the amount of overdraft of each State of North-Eastern Region;

(b) how far Government would extend possible help to tide over the present critical financial position of the States; and

(c) what is Government's decision regarding the proposal of CMs of North-Eastern States in respect of reversion to the pre-1988-89 pattern of ACA for bridging the non-plan revenue gap?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAY KUMAR): (a) Transactions between a State and RBI are conducted as per agreement between the two. Since it is a matter of relationship between the banker and client (RBI and State Govt.) the information about the overdraft on their accounts with RBI is ~~not published~~/made public by Government of India.

(b) As a temporary measure, Government of India makes advance releases of the State's monthly entitlements and provides ways and means advances, if needed, to the States to bail them out of overdraft. As advised by Government of India some of the North-Eastern States who are facing acute financial problems, have initiated a process of fiscal reform which envisages formulation and implementation of credible and monitorable programme to achieve fiscal stability. Extended ways and means advance have been given during 1999-2000 to the following Nonth-Eastern States and Sikkim.

(Rs. in crore)

S. No.	State	Amount
i	Assam	300.00
ii	Manipur	50.00
iii	Mizoram	100.00
iv	Nagaland	75.00
v	Sikkim	25.00